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RUCNFRG/FRG COLLECTIVE

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UNCLAS SECTION 01 OF 02 HAMBURG 000005

SIPDIS

DEPARTMENT FOR EUR/AGS SIPDIS

E.O. 12958: N/A TAGS: <u>PGOV</u> <u>PREL</u> <u>GM</u>

SUBJECT: HAMBURG ELECTIONS TOO CLOSE TO CALL

REF: A. A) FRANKFURT 0447

1B. B) BERLIN 0137
1C. C) 07 HAMBURG 068

1D. D) 07 HAMBURG 065

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11. (SBU) SUMMARY: National and Hesse party leaders are anxiously awaiting Hamburg's February 24 state election results before taking critical decisions that could shape the political climate ahead of the 2009 Bundestag elections (Ref A). Despite the polls, Consulate contacts say that the election outcome is difficult to predict and the implementation of Hamburg's new election law may complicate election results. As the Christian Democratic Union (CDU) is likely to lose its absolute majority in the state parliament, two- and three-party coalition options will likely be the hot topic after the election results are in. Current polling data suggests that, outside of a grand coalition, two-party coalitions may not reach sufficient numbers to hold a majority, a consequence, in part, of the Left Party's emergence on Hamburg's political landscape. The main question will likely be whether the CDU will cinch a coalition with the Greens, something the latter has dismissed, or whether the national grand coalition will be duplicated in Hamburg. As for three-party coalitions, both the Social Democrats (SPD) and Greens have publicly ruled out a coalition with or tolerated by the Left. A CDU-FDP-Greens coalition, which may turn out to be numerically possible, has been dismissed by the liberal Free Democrats (FDP), which will not cooperate with the Greens. Unless parties reverse positions -- always a possibility -- the most likely post-election scenario may be a CDU-led "grand coalition" with the SPD. END SUMMARY.

Election Outcome Unclear

¶2. (SBU) In the week prior to the election, all of ConGen Hamburg's contacts agree that the election outcome is difficult to predict. In five polls released between February 14 and 18, the CDU received between 39 and 42 percent and the SPD between 32 and 35 percent. The Greens have been polling between nine and eleven percent; the Left Party's results range between seven and nine percent; and the FDP has been holding steady at five percent. Voter turnout, however, will play a role with high turnout benefiting the larger parties, while the Greens, Left Party, and FDP will likely gain a higher percentage of the vote if turnout is low. Further, Hamburg voters will be using unfamiliar ballots for these state and municipal elections. Under a new electoral law, each voter will be able to vote for a party and a total of five candidates for the state legislature and the municipal commissions (i.e. a total of twelve votes).

Politicians fear that this new ballot may be confusing and lead to a high number of invalid ballots, which may bring election results into question.

¶3. (U) The main contest, clearly, is between the CDU and SPD in what has traditionally been SPD territory. It was only in 2001, after 44 years of SPD leadership, that the CDU's Ole von Beust was able to cinch the elections as mayor in Hamburg. Although the SPD regularly carries this city-state in national elections, carrying 47 percent of the vote in the 2005 Bundestag elections, the CDU has kept the SPD at bay in Hamburg. This is mainly due to von Beust's personal popularity, which has held at over 50 percent since September 2007. Despite his "blackout" during closing remarks in a February 17 televised debate, SPD candidate, journalist Michael Naumann, has gained 14 percentage points in his popularity ratings since September and is now polling at 43 percent. Education has become the leading topic in the election, followed by unemployment and social equality issues. The SPD leads in voter confidence in both education and social equality issues, while the CDU is seen as more capable in solving unemployment and continuing economic growth.

Coalition Options: No Easy Choices

¶4. (SBU) Despite these unknown factors regarding the actual election outcome, the focal point after the dust settles on the election results will be on coalition options. Current polls show it numerically unlikely that the CDU could maintain its absolute majority or form a coalition with the FDP, which might not even muster the five percent needed to enter state parliament. A CDU-Green coalition also appears problematic. In a meeting with Pol/Econ Off February 6, Greens Hamburg Chairperson and Bundestag Member Anja Hajduk said that speculation over a Black-Green (CDU/Green) government, which may be numerically possible, is highly unrealistic. She dismissed Mayor von Beust's musings over such a coalition as merely tactical and noted that the Greens' poll ratings dropped after the debate on a Black-Green coalition started in the press. Hajduk added that a Black-Green coalition would be difficult to

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conceive due to important local policy differences between the two parties on environmental and education matters. In a conversation with Pol/Econ Off on February 7, Hamburg CDU Chairperson Gregor Jaecke speculated that even if the Greens leadership were willing to form a coalition with the CDU, the party base, which is required to approve coalition agreements, would not support it. Hajduk told us that the Greens would be prepared to enter coalition talks with the CDU if a Red-Green or "grand coalition" government is not feasible, although such an option would still be controversial within the Hamburg Greens who are traditionally more left-leaning than average.

- 15. (SBU) It is also unlikely that the SPD together with the Greens will out-perform current polls and obtain enough parliamentary seats to form a majority. While Hajduk acknowledged that the SPD still remains the Hamburg Greens' desired coalition partner, she conceded that on the state and federal level the Greens are increasingly contemplating ways to overcome their "Babylonian captivity" with the SPD. Further, while the polls do show that the SPD, Greens and Left Party will easily have enough votes to form a coalition, the SPD and Greens both in public and private meetings have categorically ruled out this option. [Note: The SPD also made such public pronouncements in Hesse, but recent press reports and Embassy Berlin Pol M/C discussions February 21 with Hesse SPD party leaders reveal that the national and Hesse SPD are seriously considering an SPD-Green coalition supported by the Left. End Note.]
- 16. (SBU) Observers and contacts have pointed to a "grand coalition" between the SPD and CDU as a likely scenario. Both von Beust and Naumann have publicly said a "grand coalition" is their least-preferred option, nevertheless both Jaecke and SPD

Caucus Leader Michael Neumann admitted that their parties would be willing to enter negotiations. Jaecke expected that the SPD would be more willing to form a "grand coalition" with the CDU than to see a Black-Green government come to power.

Comment

17. (SBU) Assuming that the polls have correctly projected the results of Hamburg's elections, this Northern German city-state will send several messages to the national parties in Berlin. The first message is that the Left Party has firmly established itself in the "western" German political scene, thereby further cementing Germany's five-party political system, and making two-party coalitions numerically more difficult. [Note: Mission Germany will be reporting on the emergence of the Left Party following the Hamburg elections. End Note.] Second, although the CDU may not be able to maintain its absolute majority, the party hopes to underscore that it can be successful as an urban party that is electable even in strong SPD territory. Third, under Naumann the SPD has gained momentum in Hamburg, but continues to face the challenge of differentiating its policies from those of the CDU and the Left Party. Although von Beust leads in candidate popularity numbers, 30 percent of the voters would prefer to see a SPD/Green government (versus 17 percent for a CDU/FDP coalition). END COMMENT.

 $\P 8$ . (U) This message has been coordinated with Embassy Berlin. JOHNSON